

PERUVIAN
OILS & MINERALS
L I M I T E D

1968
ANNUAL
REPORT



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PERUVIAN OILS & MINERALS, LIMITED

OFFICERS

J. J. RANKIN, President and Managing Director - Toronto, Ontario
R. L. SEGSWORTH, Vice-President - - - - Toronto, Ontario
J. S. GRANT, Q.C., Secretary - - - - Toronto, Ontario
W. STEUERMAN, C.A., Treasurer - - - - Toronto, Ontario

DIRECTORS

STANLEY BALL - - - - Toronto, Ontario
A. LYNDON BELL - - - - University City, Missouri
JOHN S. GRANT - - - - Toronto, Ontario
ALFRED E. MacKAY - - - - Toronto, Ontario
JOSEPH J. RANKIN - - - - Toronto, Ontario
ROBERT L. SEGSWORTH - - - - Toronto, Ontario
CHARLES G. WRAY - - - - Scottsdale, Arizona

HEAD OFFICE

Suite 904 - 85 Richmond Street West, Toronto, Ontario

PERUVIAN OFFICE

Edificio Republica, Lima, Peru

AUDITORS

Clarkson, Gordon & Co. - - - - Toronto, Ontario

BANKERS

Canadian Imperial Bank of Commerce - - - Toronto, Ontario
The Royal Bank of Canada - - - - Toronto, Ontario
Chase Manhattan Bank - - - - New York, N.Y.

TRANSFER AGENTS AND REGISTRARS

The Sterling Trusts Corporation, Toronto, Ontario
The Canadian Bank of Commerce Trust Company, New York, N.Y.

PERUVIAN OILS & MINERALS, LIMITED

Directors' Report

TO THE SHAREHOLDERS:

Submitted herewith are the audited financial statements of your Company for the fiscal year ended December 31st, 1968 and operational data up to June 1st, 1969.

The drilling program being carried out in the Santiago River region of Northern Peru under the direction of the Mobil-Union group, in which your Company retains an overriding royalty interest in the untized area, has so far proved unsuccessful. Two deep holes were completed to depths of more than 10,000 feet and were abandoned as dry. A third hole, Putuime #1, after reaching a depth of close to 12,000 feet, is being tested in the Vivian Sand section at approximately 9,300 feet. While all three holes indicated the presence of hydrocarbons, nothing of a commercial nature was found.

The balance of the Company's exploration permits in Peru have been converted to exploitation permits and the acreage reduced by fifty percent.

Homestake Mining Company continued its efforts to bring the Compania Minera de Madrigal property into production. Your Company retains a small net profit interest in this venture.

Whiterock Oil & Gas Company Limited, incorporated in the U.K. and 60% owned by your Company, retained its two licences in the North Sea.

Your Company participated to the extent of 40% in Whiterock Exploration (Italia) S.p.A., a company incorporated in Italy. This company has recently been successful in obtaining the offshore exploration rights on approximately 90,000 acres in the Italian Adriatic.

During 1969 your Company, through its share ownership in Mid Northern Explorations Ltd., participated in the drilling of two dry holes in South Western Ontario. Two additional holes will be drilled on the Mid Northern lands in Lake Erie later this year.

Your Company entered into an agreement with Champlin Petroleum Company whereby its remaining wells in Alberta were incorporated into the Champlin-Peruvian-Pembina Cardium

Unit. A waterflood program was initiated in an effort to stimulate production from the unitized area in which a total of seven wells are involved.

Peruvian Oils & Minerals, Limited continued to maintain its investment in Antipodes Explorations Limited which retains a royalty in production obtained from the development of the Kudremukh iron ore deposit in India. The Marcona Mining Corporation and Mitsui & Co. Limited with other Japanese interests are presently carrying out feasibility studies with a view to bringing the property into production.

Your Company participated in several projects carried out in other Latin American countries as well as in Indonesia during the year.

The political situation in Peru remains cloudy. It is possible that additional financing will be sought with a view to enlarging the scope of the Company's mineral and oil exploration programs.

On behalf of the Board,

J. J. RANKIN,

President.

June 2, 1969.

PERUVIAN OILS & MINERALS, LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet as at

ASSETS

	1968	1967
Current:		
Cash and funds on deposit	\$ 110,639	\$ 65,233
Accounts receivable and accrued interest	23,409	45,695
Advances (U.S. \$40,750)		44,010
Prepaid expenses	2,406	2,158
Total current assets	136,454	157,096
Property and equipment — at cost less accumulated depreciation and depletion (schedule 1)	494,180	579,259
Deferred exploratory and development costs	1,166,233	1,360,575
Other assets:		
Deposits	6,065	6,065
Advances (U.S. \$30,750)	\$ 32,980	
Less provision for possible loss	32,979	1
Application for mining claims — Peru	1,199	1,389
Investment in other mining and oil exploration companies — at cost (note 2)	57,189	37,089
Investment in subsidiary company — at cost (note 2)	62,503	56,393
Organization expenses		8,658
Total other assets	126,957	109,594
	<u>\$1,923,824</u>	<u>\$2,206,524</u>

Auditors' Report

To the Shareholders of

Peruvian Oils & Minerals, Limited:

We have examined the balance sheet of Peruvian Oils & Minerals, Limited as at December 31, 1968 and the statements of operations and deficit, deferred exploratory and development costs and source and application of funds for the year ended on that date. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PERUVIAN OILS & MINERALS, LIMITED

(Incorporated under the laws of Ontario)

December 31, 1968

	1968	LIABILITIES	1967
Current:			
Accounts payable and accrued liabilities	\$ 63,579	\$	98,518
Shareholders' equity:			
Capital (note 3) —			
Authorized:			
5,000,000 shares par value \$1.00 each			
Issued:			
2,931,671 shares including 470,000 shares issued for property	2,931,671		2,931,671
Less net discount	294,087		294,087
	2,637,584		2,637,584
Deficit	777,339		529,578
	1,860,245		2,108,006
On behalf of the Board:			
J. J. RANKIN, Director.			
R. L. SEGSWORTH, Director.			
See accompanying notes			
	\$1,923,824		\$2,206,524

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
April 23, 1969.

CLARKSON, GORDON & CO.,
Chartered Accountants.

PERUVIAN OILS & MINERALS, LIMITED

Statement of Operations and Deficit

For the Year Ended December 31, 1968

	1968	1967
Income:		
Income from oil and gas production (schedule 2)	\$ 4,774	\$ 19,421
Interest income and sundry credits	2,565	5,626
Total income	7,339	25,047
General and administrative expenses:		
Remuneration of directors	1,400	13,100
Accounting, office services and rent	18,300	17,000
Legal and audit	4,552	8,537
Transfer agency	13,627	25,783
Publicity	2,513	3,498
Travel	2,640	2,937
Reports to shareholders and meetings	6,834	10,526
Foreign exchange loss	7,128	6,767
Other	5,825	5,523
Total general and administrative expenses	62,819	93,671
Operating loss for year	55,480	68,624
Other charges:		
Organization expenses written off	\$ 8,658	
Ohio oil leases written off	46,338	
Exploratory and development costs written off —		
Concessions surrendered — Peru	907	
Development — Ohio	10,600	
— Joint ventures	92,799	
	159,302	14,171
Loss before extraordinary item	214,782	82,795
Extraordinary item:		
Provision for possible loss on advances	32,979	
Net loss for the year	247,761	82,795
Deficit, beginning of year	529,578	446,783
Deficit, end of year	\$ 777,339	\$ 529,578

See accompanying notes

PERUVIAN OILS & MINERALS, LIMITED

Statement of Deferred Exploratory and Development Costs

For the Year Ended December 31, 1968

	Balance, December 31, 1967	Addition in 1968	Written off in 1968	Balance, December 31, 1968
Exploratory and development expenses in Peru:				
Preliminary exploration	\$ 570,289	\$ 907		\$ 571,196
Surface taxes and dues for Government				
Petroleum department services	405,636	35,280		440,916
Legal and accounting fees	80,128	4,107		84,235
Seismograph, geological, survey, and topographical expenses	116,950			116,950
Drilling expenses	52,111			52,111
Boundary survey	13,295	7,442		20,737
Foreign exchange and adjustments	(22,831)	(8,362)		(31,193)
Interest earned and sundry credits	(24,748)	(501)		(25,249)
Other development expenses	430,548	21,373		451,921
Receipt of option payments		(216,250)		(216,250)
	1,621,378	(156,004)		1,465,374
Less concessions annulled or surrendered	479,721		\$ 907	480,628
	1,141,657	(156,004)	907	984,746
Exploratory and development expenses in Ohio:				
Total development expenses	72,680	10,600	10,600	72,680
Less accumulated amortization	4,918	10,982		15,900
	67,762	(382)	10,600	56,780
Exploratory and development expenses in Alberta:				
Total development expenses	79,894	7,496		87,390
Less accumulated amortization	26,803	2,911		29,714
	53,091	4,585		57,676
Joint venture exploration:				
In Peru	66,054	861		66,915
In other South American countries	32,011	60,598	92,609	
In Canada		306	190	116
	98,065	61,765	92,799	67,031
	\$1,360,575	\$ (90,036)	\$ 104,306	\$1,166,233

Note: Consulting fees of \$15,286 paid to a director are included in costs for the year.

See accompanying notes

PERUVIAN OILS & MINERALS, LIMITED

SCHEDULE 1

Schedule of Property and Equipment

December 31, 1968

		1968	1967
South America (Peru):			
Oil concessions —			
Deposits (net of refunds and recoveries)	\$ 48,417		
Shares issued at par for commissions and services relating to investigations and negotiations for oil concessions	70,000	\$ 118,417	\$ 122,417
Office furniture and fixtures — at cost	3,992		
Less accumulated depreciation	3,991	1	1
Total property in South America		118,418	122,418
Western Canada (Alberta):			
Oil leases — at cost			
Cash	64,469		
Shares issued at a premium of 25¢ each	500,000		
	564,469		
Less accumulated depletion	326,424	238,045	255,396
Machinery and equipment — at cost	141,105		
Less accumulated depreciation	68,856	72,249	74,325
Total property in Canada		310,294	329,721
United States (Ohio):			
Oil leases — at cost	66,509		
Less accumulated depletion	19,563	46,946	102,744
Machinery and equipment — at cost	27,210		
Less accumulated depreciation	8,688	18,522	24,376
Total property in the United States		65,468	127,120
Total property and equipment		\$ 494,180	\$ 579,259

PERUVIAN OILS & MINERALS, LIMITED

SCHEDULE 2

Schedule of Income from Oil and Gas Production

For the Year Ended December 31, 1968

	1968	1967
Sale of crude oil and natural gas	\$ 95,450	\$ 95,080
Production expenses:		
Operating expenses	29,210	23,247
Lease rental expenses	1,976	2,423
Field facility and gas collection expenses	3,921	5,935
Insurance and taxes	6,478	5,067
Depletion of oil leases	26,811	26,216
Amortization of development costs	13,893	6,183
Depreciation of machinery and equipment	8,387	6,588
Total production expenses	90,676	75,659
Income from oil and gas production	\$ 4,774	\$ 19,421

PERUVIAN OILS & MINERALS, LIMITED

Suite 904, 85 Richmond Street West
Toronto, Ontario, Canada

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and a General Meeting of the Shareholders of PERUVIAN OILS & MINERALS, LIMITED (the "Company") will be held in the New Brunswick Room of the Royal York Hotel, Front Street West, Toronto, Ontario, Canada, on Wednesday, the 25th day of June, 1969, at the hour of 10:00 o'clock in the forenoon (Eastern Daylight Saving Time) for the following purposes:

1. To receive the balance sheet of the Company as at December 31, 1968, together with the statements of operations and deficit, deferred exploratory and development costs, source and application of funds, and the schedule of income from oil and gas production, all for the year ended December 31, 1968, the schedule of property and equipment as at December 31, 1968, and the reports of the directors and the auditors on the said balance sheet and statements.
2. To elect directors.
3. To appoint auditors and to authorize the directors to fix their remuneration.
4. To consider and if deemed advisable to confirm and approve an agreement dated May 26, 1969, granting to J. J. Rankin, the Company's President and Managing Director, an incentive option to purchase all or any part of 130,000 shares and being all or any part of 43,333 shares at a price of \$1.50 (Canadian) per share, all or any part of 43,333 shares at a price of \$1.75 (Canadian) per share, and all or any part of 43,334 shares at a price of \$2 (Canadian) per share, all of such options to be exercisable in whole or in part, at any time and from time to time up to and including May 26, 1970, with provision being made that the said options or any unexercised portion thereof shall terminate upon the optionee ceasing to hold his office, except that if such termination results from the death of the optionee before the option expiry date, in such event, his personal representatives shall have the right for a period of three months from the date of death or until the option expiry date, whichever is the sooner, to exercise such option to the extent that it was not exercised to the date of death.
5. To consider and if deemed advisable to confirm and approve an agreement dated May 26, 1969, granting to A. L. Bell, a Director of the Company and a petroleum consultant to the Company, an incentive option to purchase all or any part of 20,000 shares, and being all or any part of 6,666 shares at a price of \$1.50 (Canadian) per share, all or any part of 6,667 shares at a price of \$1.75 (Canadian) per share, and all or any part of 6,667 shares at a price of \$2 (Canadian) per share. The last date for exercise of such options is May 26, 1970, and the terms and conditions governing the options are similar to those set out above with respect to the agreement with Mr. Rankin.
6. To transact such other business as may properly come before the said meeting or any adjournment thereof.

DATED at Toronto, Ontario, this 2nd day of June, 1969.

By Order of the Board,

JOHN S. GRANT,
Secretary.

PERUVIAN OILS & MINERALS, LIMITED

INFORMATION CIRCULAR

This circular is furnished in connection with the solicitation of proxies by or on behalf of the management of PERUVIAN OILS & MINERALS, LIMITED (hereinafter sometimes called "the Company") for use at the annual and a general meeting of shareholders of the Company to be held on Wednesday, the 25th day of June, 1969, at 10:00 o'clock in the forenoon (Eastern Daylight Saving Time) in the New Brunswick Room, Royal York Hotel, Front Street West, Toronto, Ontario, Canada, for the purposes set forth in the foregoing notice of meeting.

RIGHT OF REVOCATION

A shareholder executing the enclosed proxy has the power to revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used or with the chairman of such meeting on the day of the meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

PERSONS MAKING SOLICITATION AND METHOD THEREOF

The enclosed proxy is solicited by the management of the Company and the cost of solicitation will be borne by the Company. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company at nominal cost.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only shareholders of record at the time of the said meeting on June 25, 1969, will be entitled to vote at the annual and general meeting. Each share of the Company is entitled to one vote. The Company has only one class of shares. At June 2, 1969, the Company had outstanding 2,931,671 shares without par value, all as fully paid.

To the knowledge of the directors or senior officers of the Company, no person or company was the owner, at June 2, 1969, directly or indirectly, of equity shares of the Company which carry more than 10% of the voting rights attached to all equity shares of the Company.

ELECTION OF DIRECTORS

There are presently seven (7) directors of the Company. The shareholders will be asked at the annual and general meeting to elect seven directors. The following are the names of the seven persons for whom it is intended that the votes will be cast for their election as directors pursuant to the proxy which is hereby solicited: Stanley Ball, A. Lyndon Bell, John S. Grant, Q.C., Alfred E. MacKay, J. J. Rankin, Robert L. Segsworth and Charles G. Wray.

The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed. All of the foregoing are presently directors of the Company. In the event that prior to the annual and general meeting any vacancies occur in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote

PARTICULARS OF MATTERS TO BE ACTED UPON

Management is not now aware that any matters will be submitted to the forthcoming annual and general meeting of shareholders other than the receipt of the aforesaid financial statements, the election of directors, the appointment of auditors, and the consideration of the said respective agreements with J. J. Rankin and A. L. Bell, all as referred to in the foregoing notice of meeting and throughout this information circular. If any other matters not now known to management shall properly come before the meeting, including a vacancy or vacancies caused by one or more of the nominees for directors becoming unavailable for election, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

MANNER OF VOTING PROXIES

THE SHARES REPRESENTED BY PROXIES RECEIVED BY THE MANAGEMENT WILL BE VOTED, AND WILL BE VOTED IN ACCORDANCE WITH THE STATEMENTS MADE HEREIN. IT IS INTENDED THAT THE ACCOMPANYING INSTRUMENT OF PROXY, IF SIGNED, DATED AND RETURNED TO THE COMPANY PRIOR TO THE MEETING AND COMPLETED IN THE NAMES OF THE PERSONS THEREIN NAMED, WILL BE VOTED FOR THE ELECTION OF THE BOARD OF DIRECTORS AND IN FAVOUR OF THE APPOINTMENT OF AUDITORS AFORESAID, ALL AS SET FORTH ABOVE. IT IS NOT INTENDED TO VOTE PROXIES WITH RESPECT TO THE FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS.

THE INSTRUMENT OF PROXY FORM AFFORDS SHAREHOLDERS RECEIVING THE SAME OPPORTUNITY TO SPECIFY A CHOICE WITH RESPECT TO EACH OF ITEMS 4 AND 5 SET OUT IN THE NOTICE OF MEETING. WHERE THE PERSON OR COMPANY WHOSE PROXY IS SOLICITED SPECIFIES A CHOICE WITH RESPECT TO EITHER OF SUCH MATTERS, THE SHARES REPRESENTED BY THE PROXY SHALL (SUBJECT TO SECTION 75 (f) OF THE CORPORATIONS ACT) BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS SO MADE. WHERE A CHOICE IS NOT SPECIFIED, IT IS THE INTENTION OF MANAGEMENT TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF APPROVAL OF THE APPROPRIATE MATTER. DISCRETIONARY AUTHORITY FOR SO DOING IS UNDERSTOOD TO HAVE BEEN CONFERRED UPON MANAGEMENT BY THE PERSON GIVING THE PROXY.

THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY ARE OFFICERS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT ANY PERSON OTHER THAN THOSE NAMED TO REPRESENT HIM AT THE MEETING. IF SO DOING AND USING THE ACCOMPANYING INSTRUMENT OF PROXY, HE SHOULD STRIKE OUT THE PRINTED NAMES AND INSERT THE NAME OF HIS NOMINEE IN THE SPACE PROVIDED THEREFORE. A SHAREHOLDER MAY SUBMIT ANY OTHER APPROPRIATE INSTRUMENT OF PROXY.

DATED AS OF THIS 2nd DAY OF JUNE, 1969.

the proxy for the election of any other person or persons as directors. The management is not presently aware that any of such nominees would be unwilling to serve as a director if elected.

J. J. Rankin aforesaid is the President, R. L. Segsworth is the Vice-President, and John S. Grant, Q.C., is the Secretary of the Company at present.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

<u>Name and Principal Occupation</u>	<u>Period(s) served as a Director</u>	<u>Shares Beneficially Owned Directly or Indirectly as of June 2, 1969</u>
STANLEY BALL, Retired, Toronto, Ontario.	Since May 20, 1969	1
A. LYNDON BELL, Petroleum Geologist, Consulting Basis, University City, Missouri, U.S.A.	Since 1964	2,501
JOHN S. GRANT, Q.C., Partner — Manley, Grant, Armstrong & Camisso, Barristers and Solicitors, Toronto, Ontario.	Since 1964	1
ALFRED E. MacKAY, Mining Engineer, Petroleum Engineer, General Manager — Rayrock Mines Limited, Toronto, Ontario.	Since April 15, 1966	1
J. J. RANKIN, Mining Executive, President — Jorex Limited, Toronto, Ontario.	Since 1957	35,401*
ROBERT L. SEGSWORTH, Mining Engineer, Toronto, Ontario.	Since 1961	501
CHARLES G. WRAY, Privately engaged, oil, mining investments, Scottsdale, Arizona, U.S.A.	Since June 7, 1967	1

* During 1968 Mr. Rankin transferred 65,000 shares to a company indirectly controlled by him but not an associate.

All nominees have held the principal occupations indicated for more than the last five years except that Mr. MacKay was previously Manager, petroleum division, Rayrock Mines Limited, and previously Vice-President, Elgin Petroleum Corporation Limited.

REMUNERATION OF MANAGEMENT AND MANAGEMENT CONTRACTS

During the fiscal year ended December 31, 1968, the Company paid to its directors and senior officers (including the five highest paid employees) by way of direct remuneration the aggregate sum of \$1,400. The Company also paid \$15,120 to A. L. Bell and \$166 to A. E. MacKay, both directors, for geological consulting fees and expenses, and \$2,000 as counsel fees to the law firm of Manley, Grant, Armstrong & Camisso, of which firm John S. Grant, Q.C., the Secretary and a director of the Company, is a partner. The Company also paid \$18,300 in such year to Ranworth Explorations Limited of Toronto for accounting, office services and head office rental. J. J. Rankin and Robert L. Segsworth, two of the directors of the Company, are also officers and directors of Ranworth Explorations Limited and indirectly control that company.

Reference is made to the heading "Options to Certain Directors" and to the heading "Particulars of Matters to be Acted Upon" in this information circular for full particulars of certain options proposed to be granted by way of incentive to J. J. Rankin and A. L. Bell, two of the directors of the Company.

APPOINTMENT OF AUDITORS

It is intended to vote the proxy to re-appoint the firm of Clarkson, Gordon & Co., of Toronto, the present auditors, as the auditors of the Company to hold office until the next annual meeting

OPTIONS TO CERTAIN DIRECTORS

Subject to the approval by the holders of a majority of the shares represented and voted at the annual and general meeting of shareholders to be held on June 25, 1969, the Company has, by agreement dated May 26, 1969, agreed to grant to J. J. Rankin, its President and Managing Director, an incentive option to purchase all or any part of 130,000 shares. The agreement provides that 43,333 shares are under option to Mr. Rankin at \$1.50 (Canadian) per share, 43,333 shares at \$1.75 (Canadian) per share and 43,334 shares at \$2 (Canadian) per share, all of such options being exercisable up to and including May 26, 1970. Provision is made in the agreement that the said options or any unexercised portion thereof shall terminate forthwith upon the optionee ceasing to hold his office except that if such termination is not voluntary on the part of the optionee he shall have the right for 15 days after termination to exercise any part of the options not then exercised. The agreement also provides that if such termination results from the death of the optionee before the option expiry date, in such event his personal representatives shall have the right for a period of three months from the date of death or until the option expiry date, whichever is the sooner, to exercise such option to the extent that it was not exercised to the date of death.

By agreement dated May 26, 1969, between the Company and A. L. Bell, a Director of the Company and a petroleum consultant from time to time to the Company, the Company agreed to grant to A. L. Bell an incentive option to purchase all or any part of 20,000 shares. The agreement is subject to the same conditions as set out above with respect to the J. J. Rankin agreement as to approval by the shareholders of the Company. The agreement provides that 6,666 shares are under option to Mr. Bell at \$1.50 (Canadian) per share, 6,667 shares at \$1.75 (Canadian) per share and 6,667 shares at \$2 (Canadian) per share, all of such options being exercisable up to and including May 26, 1970. The agreement contains similar provisions as to termination and exercise as are set out above with respect to the J. J. Rankin agreement.

During the thirty-day period preceding May 26, 1969, the market price for the Company's shares ranged between \$1.15 and \$1.49 (Canadian).

By agreement dated April 15, 1966, Mr. Rankin previously held option rights on a total of 100,000 shares of the Company, exercisable as to one-third of such shares at each of \$2, \$2.50 and \$3 (Canadian) per share, all of such options being exercisable up to and including May 25, 1969.

By agreement dated April 15, 1966, Mr. Bell previously held option rights on a total of 25,000 shares of the Company, exercisable as to one-third of such shares at each of \$2, \$2.50 and \$3 (Canadian) per share, all of such options being exercisable up to and including May 25, 1969.

Neither Mr. Rankin nor Mr. Bell purchased any shares of the Company through exercise of such option rights, and such previous option rights expired on May 25, 1969.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

At the end of 1968 the Company owned 234,375 shares of Antipodes Explorations Limited, of a total of 2,487,349 issued shares of Antipodes. Zeta Explorations Limited and R. L. Segsworth Limited, companies indirectly respectively controlled by J. J. Rankin and R. L. Segsworth aforesaid, two of the directors of the Company, owned 234,375 shares and 117,187 shares, respectively, of Antipodes. The Antipodes shares owned by the Company and those owned by Zeta Explorations Limited and R. L. Segsworth Limited were all acquired at similar cost.

